

Adopted	Rejected
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## COMMITTEE REPORT

YES:	26
NO:	0

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1811, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1       Page 2, delete lines 19 through 42.
- 2       Page 3, delete line 1.
- 3       Page 3, delete lines 21 through 42.
- 4       Delete page 4.
- 5       Page 5, delete lines 1 through 5.
- 6       Page 6, between lines 19 and 20, begin a new paragraph and insert:
- 7       "SECTION 8. IC 6-5.5-1-18, AS AMENDED BY P.L.129-2001,
- 8       SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9       JULY 1, 2004]: Sec. 18. (a) "Unitary business" means business
- 10      activities or operations that are of mutual benefit, dependent upon, or
- 11      contributory to one another, individually or as a group, in transacting
- 12      the business of a financial institution. The term may be applied within
- 13      a single legal entity or between multiple entities and without regard to
- 14      whether each entity is a corporation, a partnership, a limited liability

company, or a trust, provided that each member is either a holding company, a regulated financial corporation, a subsidiary of either, a corporation that conducts the business of a financial institution under ~~IC 6-5.5-1-17(d)(2)~~; **section 17(d)(2) of this chapter**, or any other entity, regardless of its form, that conducts activities that would constitute the business of a financial institution under ~~IC 6-5.5-1-17(d)(2)~~ **section 17(d)(2) of this chapter** if the activities were conducted by a corporation. The term "unitary group" includes those entities that are engaged in a unitary business transacted wholly or partially within Indiana. ~~However, the term does not include an entity that does not transact business in Indiana.~~

(b) Unity is presumed whenever there is unity of ownership, operation, and use evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction among entities that are members of the unitary group, as described in subsection (a). However, the absence of these centralized activities does not necessarily evidence a nonunitary business.

(c) Unity of ownership, when a corporation is involved, does not exist unless that corporation is a member of a group of two (2) or more business entities and more than fifty percent (50%) of the voting stock of each member of the group is directly or indirectly owned by:

- (1) a common owner or common owners, either corporate or noncorporate; or
- (2) one (1) or more of the member corporations of the group.

SECTION 9. IC 6-5.5-4-16 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE DECEMBER 31, 2003]: **Sec. 16. For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another taxing jurisdiction if:**

- (1) in that taxing jurisdiction the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or**
- (2) that taxing jurisdiction has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the taxing jurisdiction does or does not."**

Page 6, line 41, strike "6-8.1-10-1."

1       Page 10, delete lines 2 through 29, begin a new paragraph and  
2       insert:

3       "SECTION 13. [EFFECTIVE DECEMBER 31, 2003]  
4       **IC 6-5.5-1-18, as amended by this act, and IC 6-5.5-4-16, as added**  
5       **by this act, apply only to taxable years beginning after December**  
6       **31, 2003."**

7       Renumber all SECTIONS consecutively.  
      (Reference is to HB 1811 as introduced.)

**and when so amended that said bill do pass.**

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Representative Crawford